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Message Text

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SUBJECT:NEW YORK TIMES ON TURKEY UNDER ECEVIT

1. FOLLOWING "NEWS ANALYSIS" BY NICHOLAS GAGE, DATELINED
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ANKARA, APPEARED IN NYT MAY 11:

BEGIN QUOTE: AILING TURKEY: ECEVIT FIRST AID - PRIME
MINISTER IS PULLING NATION BACK FROM BRINK

WHEN BULENT ECEVIT DEFEATED THE GOVERNMENT OF PRIME MINISTER
SULEYMAN DEMIREL AND CAME TO POWER AT THE START OF THE YEAR,

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TURKEY WAS AT ITS LOWEST POINT IN DECADES--FACING ECONOMIC RUIN, LINGERING INTERNATIONAL OSTRACISM BECAUSE OF ITS 1974 INVASION OF CYPRUS AND THE WORST WAVE OF POLITICAL VIOLENCE IN ITS HISTORY.

MR. ECEVIT PROMISED TO DEAL WITH THESE PROBLEMS SWIFTLY AND DECISIVELY. IN THE FOUR MONTHS HE HAS BEEN IN OFFICE, HE HAS INDEED MOVED AGAINST ALL OF THEM. BUT THE PROGRESS HAS BEEN LIMITED.

HE HAS BEEN MOST EFFECTIVE IN INTERNATIONAL RELATIONS, SCORING POINTS OVER THE PRECEDING DEMIREL GOVERNMENT BY PRESSING THE CARTER ADMINISTRATION TO REVERSE ITS POLICY AND CALL FOR ENDING THE ARMS EMBARGO IMPOSED BY CONGRESS AFTER

THE INVASION OF CYPRUS.

HE HAS HAD SOME SUCCESS, TOO, IN DEALING WITH THE ECONOMY, IMPOSING A 25 PERCENT DEVALUATION OF THE LIRA AND MANAGING TO PERSUADE THE INTERNATIONAL MONETARY FUND TO APPROVE DOLS 450 MILLION IN CREDITS.

MR. ECEVIT HAS BEEN LEAST EFFECTIVE IN CURBING THE POLITICAL VIOLENCE THAT HAS PLAGUED THE COUNTRY. THE RATE OF KILLINGS HAS DOUBLED SINCE HE CAME TO POWER.

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ECEVIT SUPPORTERS UNPERTURBED

THIS MIXED RECORD OF ACHIEVEMENT HAS NOT DISTURBED MOST OF MR. ECEVIT'S SUPPORTERS, WHO INCLUDE THE MAJORITY OF LIBERAL ELEMENTS IN THE COUNTRY. THEY SAY THAT FOUR MONTHS IS HARDLY ENOUGH TO MAKE A MAJOR IMPACT ON THE KIND OF PROBLEMS FACING TURKEY.

SOME SUPPORTERS, HOWEVER, ARE DISTURBED BY THE WAY MR. ECEVIT IS CONFRONTING THESE PROBLEMS. "HE HAS MADE ALL THE RIGHT MOVES BUT THEY HAVE BEEN VERY MEASURED," SAID AN ECONOMICS PROFESSOR AT ISTANBUL UNIVERSITY. "THE PROBLEMS DEMAND BOLDNESS, AND SO FAR HE HASN'T SHOWN IT."

THE ECEVIT APPROACH IS BEST ILLUSTRATED BY THE INITIATIVES HE HAS TAKEN ON THE ECONOMY. TURKEY EXPORTS ABOUT DOLS 1.7 BILLION WORTH OF GOODS A YEAR AND ITS IMPORTS TOTAL ABOUT DOLS 5.7 BILLION. IT RECEIVES ABOUT DOLS 1 BILLION IN REMITTANCES FROM TURKS WORKING ABROAD, BUT THAT STILL LEAVES THE COUNTRY WITH A DEFICIT OF ABOUT DOLS 3 BILLION. TO COVER THE DEFICIT, TURKEY HAS BORROWED HEAVILY AND HAS PUT OFF PAYING SOME OF ITS DEBTS.

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SEEKS TO REFINANCE HUGE DEBTS

MR. ECEVIT IS WORKING TO REFINANCE THE COUNTRY'S HUGE DEBTS. HE IS TRYING TO RESCHEDULE PAYMENTS FOR UNPAID BILLS OVER A SEVEN-YEAR PERIOD AND TO WIN A FIVE-YEAR MORATORIUM ON THE REPAYMENT OF PRINCIPAL ON LONG-TERM LOANS TOTALING OVER DOLS 2 BILLION.

IN ADDITION, HE IS TRYING TO GET FRESH CREDIT FROM PRIVATE BANKS AND FROM THE ORGANIZATION OF ECONOMIC COOPERATION AND DEVELOPMENT, WHICH WAS SET UP TO HELP DEVELOPING COUNTRIES.

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THIS ECONOMIC PROGRAM FOLLOWS A PATTERN STARTED 20 YEARS

AGO--TURKEY DEVALUATES ITS CURRENCY, CREDITS FLOW IN AND THE COUNTRY CONTINUES TO FUNCTION UNTIL THE BILLS PILE UP AND A NEW CRISIS ARISES.

THE CRISIS IS USUALLY WORSE AFTER EACH CYCLE BECAUSE THERE IS NO SOLUTION OF THE UNDERLYING PROBLEMS OF LARGE IMPORTS VERSUS SMALL EXPORTS, RUNAWAY INFLATION, LOW PRODUCTIVITY, INEFFICIENCY OF OVERSTAFFED STATE ORGANIZATIONS AND, MOST IMPORTANT, HEAVY CONSUMER SPENDING.

UNLESS THESE PROBLEMS ARE DEALT WITH, SAID TAYYAR SADIKLAR, GOVERNOR OF TURKEY'S CENTRAL BANK, "WE SHALL BE BACK WHERE WE STARTED."

CURBS ON CONSUMPTION FAVORED

TO BREAK THE CYCLE THAT HAS PLAGUED TURKEY FOR 20 YEARS, ECONOMIC EXPERTS BELIEVE THAT CONSUMPTION MUST BE REDUCED BY RESTRICTING WAGE INCREASES AND RAISING PRICES FOR BASICS LIKE PETROLEUM PRODUCTS. THE PRICE OF GASOLINE WAS DOU-BLED LAST SEPTEMBER TO 98 CENTS A GALLON, BUT IT STILL COSTS ONLY HALF AS MUCH AS IN MANY EUROPEAN COUNTRIES.

IN THE VIEW OF OBSERVERS, MR. ECEVIT IS THE ONLY FIGURE ON THE TURKISH POLITICAL SCENE WITH THE CHARISMA TO ASK FOR STANDARD-OF-LIVING SACRIFICES. BUT THOSE CLOSE TO THE PRIME MINISTER FEEL THAT HIS GOVERNMENT WOULD FALL 24 HOURS AFTER SUCH A PLEA.

WITH ONLY A FOUR-VOTE EDGE IN PARLIAMENT, THEY ADD, THE ECEVIT GOVERNMENT IS IN A PRECARIOUS POSITION AS IT IS.
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"WE NEED A VICTORY TO SURVIVE INTO THE FALL," AN ECEVIT ADVISER SAID. SPEAKING OF THE UNITED STATES ARMS CURB, HE SAID, "THAT'S WHY THE EMBARGO IS SO IMPORTANT. OUR ARMED FORCES WON'T CRUMBLE IF IT'S NOT LIFTED--IT WILL ONLY MEAN DOLS 75 MILLION MORE IN ARMS THAN WE'RE GETTING NOW-- BUT OUR GOVERNMENT PROBABLY WILL." VANCE

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